



DEPARTMENT OF AGRICULTURE

Rural Business-Cooperative Service

Rural Utilities Service

[Docket Number: RBS-22-NONE-0025]

Inflation Reduction Act Listening Session

AGENCY: Rural Business – Cooperative Service and Rural Utilities Service, USDA.

ACTION: Request for information and notice of public listening sessions.

SUMMARY: The Rural Business-Cooperative Service (RBCS) and the Rural Utilities Service (RUS), agencies of the Rural Development (RD) mission areas of the United State Department of Agriculture, announce that they are hosting listening sessions for public input regarding implementation of the Inflation Reduction Act (IRA) of 2022. Specifically, these listening sessions will provide an opportunity for stakeholders and other interested parties to offer their comments and input.

DATES: *Written Comments:* Interested parties must submit written comments on or before [INSERT DATE 30 DAYS FROM DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. All written comments received will be publicly available on www.regulations.gov.

Listening Sessions: Two virtual listening session will be held from 2 - 4 p.m. ET on Thursday November 3, 2022, and 2 - 4 p.m. ET Friday, November 4, 2022.

November 3, 2022 - This listening session will focus on Sections 22001, 22002, and 22003. The session is aimed at rural communities, rural small businesses, and agricultural producers including renewable energy generation providers, distribution utilities, transportation fueling facilities, fuel distribution facilities, environmental, community and consumer groups, industry associations, and Federal, state, and local government and agencies. To participate interested parties must register at https://www.zoomgov.com/webinar/register/WN_1_ptMftKRU2zlJPMdiXF9A.

November 4, 2022 – This listening session will focus on Sections 22004. This listening session will be targeted at rural electric cooperatives and related stakeholders as described above. To participate interested parties must register at

https://www.zoomgov.com/webinar/register/WN_HeGqpB7YTYOG6tmBjDyx7g.

Listening Sessions will be recorded and made publicly available. If you require special accommodations, such as a sign language interpreter, use the contact information above. The listening session locations are accessible to persons with disabilities.

ADDRESSES: Comments may be submitted electronically by the Federal eRulemaking Portal:

Go to [http:// www.regulations.gov](http://www.regulations.gov) and in the “Search for Rules, Proposed Rules, Notices or Supporting Documents” box, enter the following docket number: **(RBS-22-NONE-0025)**. To submit or view public comments, click “Search” button, select the “Documents” tab, then select the following document title: (Inflation Reduction Act Listening Session) from the “Search Results” and select the “Comment” button. Before submitting your comments, you may also review the “Commenter’s Checklist” (optional). Insert your comments under the “Comment” title, click “Browse” to attach files (if available). Input your email address and select “Submit Comment.” Information on using Regulations.gov, including instructions for accessing documents, submitting comments, and viewing the docket after the close of the comment period, is available through the site’s “FAQ” link. Other Information: Additional information about Rural Development and its programs is available on the internet at <https://www.rd.usda.gov>. All comments will be available for public inspection online at the Federal eRulemaking Portal ([https:// www.regulations.gov](https://www.regulations.gov)).

FOR FURTHER INFORMATION CONTACT: Jacki Lazaruk-Ponti, Rural Development Chief Innovation Officer at 202-692-0036. Persons with disabilities who require alternative means for communication (Braille, large print, audio tape, etc.) should contact the USDA Target Center at (202) 720–2600 (voice and TDD).

SUPPLEMENTARY INFORMATION:

Background: Rural Development is an advocate for rural America, administering a multitude of programs, ranging from housing and community facilities to infrastructure and business development. The Agency's mission is to increase economic opportunity and improve the quality of life in rural communities by providing the leadership, infrastructure, capital, and technical support that enables rural communities to prosper. To achieve its mission, the Agency provides financial support, including loan guarantees, direct loans and grants, and technical assistance to enhance the quality of life and provide the foundation for economic development in rural areas.

The RBCS and RUS received significant funding through the Inflation Reduction Act (IRA) of 2022, Public Law Number 117-169. It is anticipated that this funding will support the long-term resilience, reliability, and affordability of rural electric systems by providing financial assistance to purchase renewable energy, other zero-emission systems, and energy efficiency improvements that will achieve the greatest reduction in greenhouse gas emissions associated with the rural electric system. Additionally, with funding received in the IRA, Rural Development will support renewable energy and energy efficiency projects for farms and small businesses through the Rural Energy for America Program and invest in fueling and distribution infrastructure to increase demand for higher blends of biofuels.

Section 22001 of the IRA provides \$1 billion in budget authority for loans for renewable energy infrastructure and requires the agency to forgive up to 50 percent of the loan amount if the loan terms and conditions are complied with. In addition, the Secretary may allow forgiveness above 50 percent so long as additional criteria are met. Eligible entities include electric service providers, including municipals, cooperatives, investor-owned and Tribal utilities. Pursuant to IRA all projects must be for build-out of energy conservation systems fueled by solar, hydro, wind, geothermal and biomass, as required by section 317 of the Rural Electrification Act (7 U.S.C. 940g), or for storage of such energy types. Priority will be given to new construction of renewable infrastructure.

Section 22002 of the IRA provides \$2.025 Billion for the Rural Energy for America Program (REAP) which includes a \$303.8 million set aside for underutilized technologies and technical assistance. Both amounts will be administered under REAP as a single program, as any monies not used for underutilized technologies will revert to the general REAP fund the following fiscal year. The federal share can increase from 25 percent to 50 percent of total project cost.

Section 22003 of the IRA provides \$500 million in grants for infrastructure for blending, storing, supplying, or distributing biofuels. The program may provide a federal share at up to 75% of the total project cost.

Section 22004 of the IRA provides \$9.7 billion in budget authority for loans, grants, loan modifications and other financial assistance to support purchase of renewable energy, renewable energy systems, zero-emissions, and carbon capture systems to deploy such systems or to make energy efficiency improvements to generation and transmission systems of eligible entities. Eligible entities include electric cooperatives, current and former RUS electric borrowers, or a cooperative that is serving a predominantly rural area (or a wholly or jointly owned subsidiary of such electric cooperative). Pursuant to the statute, no eligible entity may receive an amount equal to or more than 10% (\$970 million in budget authority) of the total amount made available by the subsection (cumulative across all three products). RUS may consider establishing lower funding limits under a Funding Opportunity Announcement.

Rural Development is beginning the development of the funding tools that will be used to deliver this important funding and stakeholder feedback is vital in developing financial assistance products that will be integral to ensuring this funding reaches the intended customers. Rural Development will hold the listening sessions as outlined in the ADDRESSES section of this notice to receive oral comments from stakeholders and the public. The following questions and discussion items are provided as examples of topics stakeholders may wish to provide comment on. Rural Development welcomes pertinent comments that are beyond the scope of

these questions. Rural Development is requesting comment and discussion on the following topics:

General Questions

Question 1: IRA requires that funds be fully disbursed by 9/30/2031, meaning construction and processing of all reimbursements must occur before then. Do you have a project(s) that could meet the statutory requirements of any of the RD IRA sections that could be completed within this time frame? When would be the soonest you would anticipate filing? When would financing need to be approved so project(s) could be completed within this time frame?

Question 2: How do you recommend RUS/RBCS balance the interests of large and small applicants? What measures should be taken and stakeholders or partners should be engaged to ensure active participation in RD IRA funding in socially disadvantaged and distressed communities, particularly with projects that will have an Environmental Justice impact?

Question 3: Projects funded under IRA are intended to increase energy efficiency (decrease consumption of energy) and increase the deployment and use of renewable energy and/or clean energy. Knowing this requirement, what metric is most appropriate to measure progress toward meeting the goal of achieving greenhouse gas reductions and the expansion of renewable/clean energy infrastructure?

Section Specific

Question 4: In particular, for Section 22004, what is the most effective way to measure comparative reductions in carbon dioxide, methane and nitrous oxide emissions?

Question 5: Section 22001 of the IRA authorizes a new financing mechanism for the RUS Electric Program by providing partial loan forgiveness. The maximum amount allowed to be

forgiven is 50 percent. Under the statute, the Secretary may authorize forgiveness above 50 percent.

- Should loan forgiveness be a standard amount for all applicants or tiered based on certain criteria?
- What circumstances should justify the Secretary exceeding the 50% limitation under Sec. 22001?

Question 6: As consumer owned entities, how can cooperatives ensure that savings resulting from this program contribute to Section 22004's statutory purpose of "affordability?"

Question 7: Section 22002 provides additional funding for REAP. A key difference under IRA is the ability for the Agency to provide up to 50 percent of the cost of an activity carried out using grant funds. How should the Agency determine the level of grant for individual applications? Should there be a standard grant amount or a tiered approach? What criteria should drive a tiered approach?

Question 8: Section 22002 provides additional funding for underutilized technology projects and technical assistance for the purposes of applying to the program. What strategies should RD use to engage and encourage applications under this section?

Listening Session

Rural Development will hold the listening session on the dates listed in DATES section of this notice. Oral comments received from this listening session will be documented. All attendees of the listening sessions who submit oral comments may also submit a written copy to help Rural Development accurately capture public input. In addition, stakeholders and the

public who do not wish to attend or speak during the listing session are invited to submit written comments which must be received by the date indicated in the DATES section of this notice.

At the listening session, the focus is for Rural Development to hear from the public; this is not a discussion with Rural Development officials or a question-and-answer session. As noted above, the purpose is to receive public input that Rural Development can factor into decisions it needs to make in order to implement the IRA.

Each listening session will begin with brief opening remarks from USDA leadership in Rural Development. Individual speakers providing oral comments are requested to be succinct (the agency reserves the right to announce a time limitation at the beginning of each session based on attendance) as we do not know at this time how many participants there will be. As noted above, speakers providing oral comments may also provide a written copy of their comments. (See the ADDRESSES section above for information about submitting written comments.)

Rural Development will be using the Zoom platform to host the virtual listening session.

Andrew Berke,
Administrator,
Rural Utilities Service.

Karama Neal,
Administrator,
Rural Business-Cooperative Service.